

Private & Confidential

Investing in the Pet Care market

FAI Advisory Club Deal Case Study



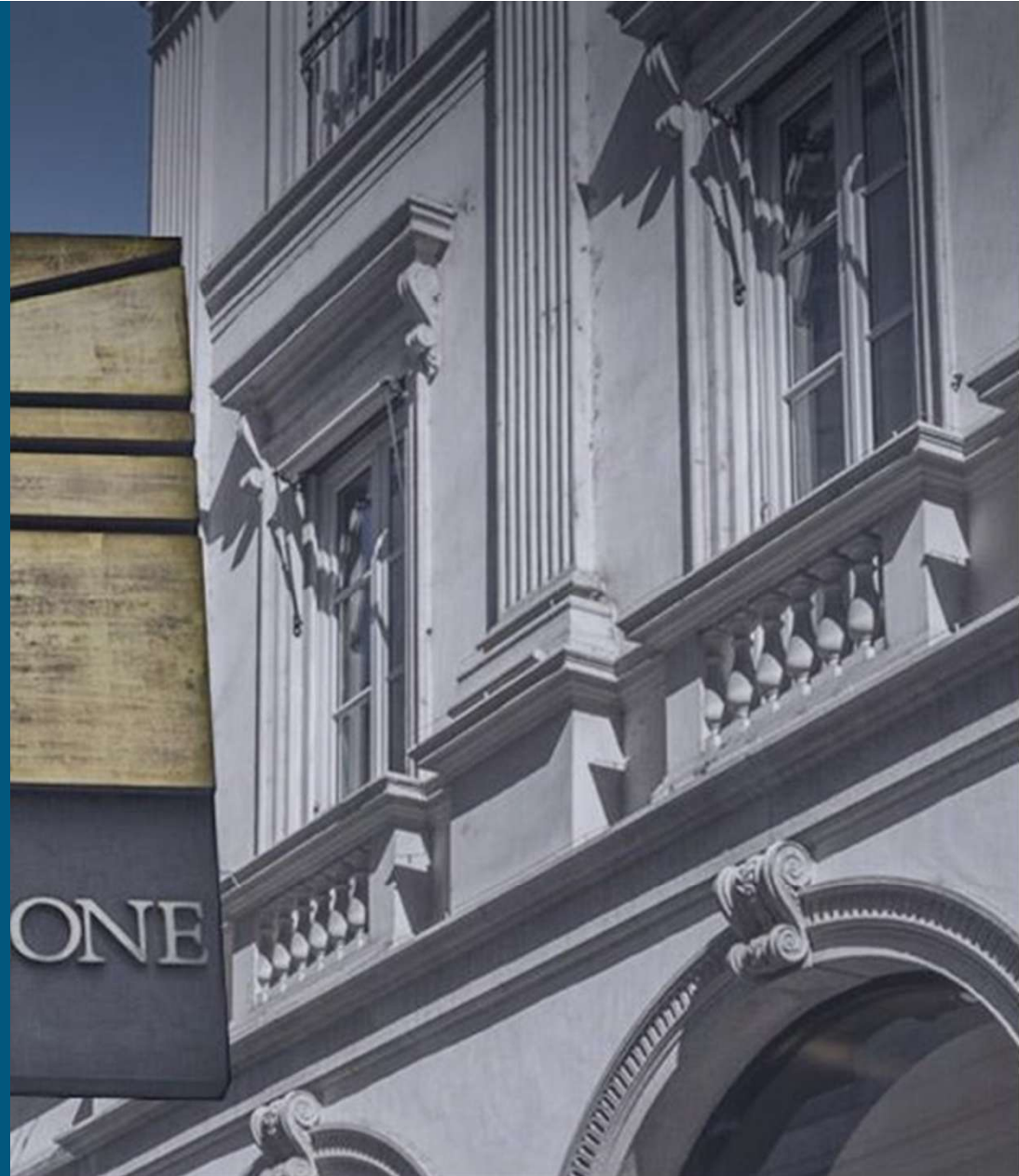
CARBONE
PET PRODUCTS



Lugano, 11/03/2025



Financial
Advisory &
Investments



| Summary

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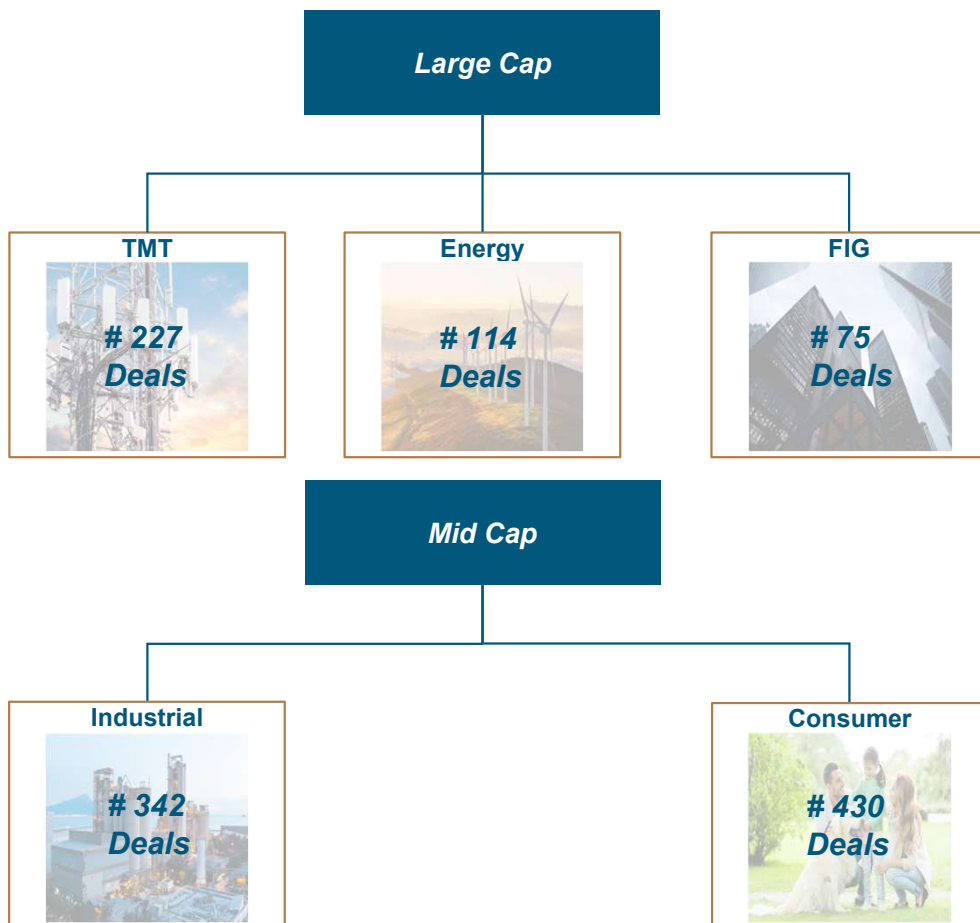


1. M&A Trend

Italian M&A scenario

2024 has been a record-breaking year for the Italian M&A market, with 1,369 closed deals and a total value of €73bn

Most active M&A sectors in 2024



Cross-border deals dominate the Italian M&A market, accounting for 86% of total value (€62.8 billion). This reflects both **foreign investors'** strong interest in 'Made in Italy' (417 deals, €34.8 billion) and **Italian companies'** ambition to expand globally (246 deals, €28 billion)

Focus on Italy's consumer M&A market

- **Growth in mid-market M&A:** strong activity in traditional **Made in Italy** sectors, driving industry consolidation
- **Consumer & Retail deals on the rise:** increased transaction volume and value, attracting investor interest.
- **Foreign investors targeting Italian consumer brands:** **high appeal of Italian companies in global markets.**
- **Supply chain consolidation:** companies integrating operations to strengthen market presence.
- **Boom in pet care M&A:** rising deals in pet products & services, reflecting growing consumer demand

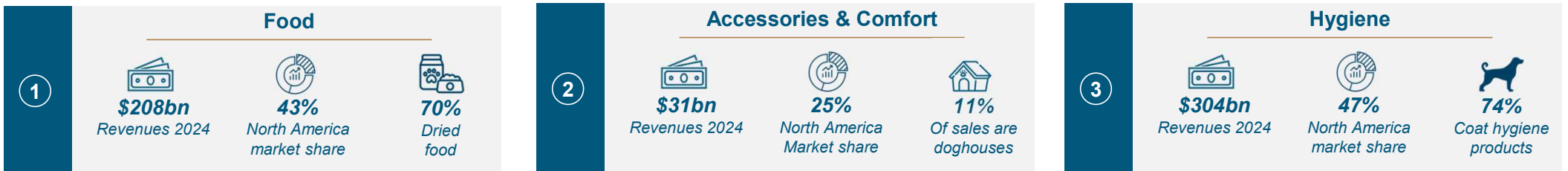
Sources: KPMG M&A Market Report

1. Pet Care Market

Pet Care Global market analysis

Pet care market has grown of 7.3% in 2024, driven by the increasing attention towards pets and animals wellness

Pet care market segmentation



Global pet care market revenue



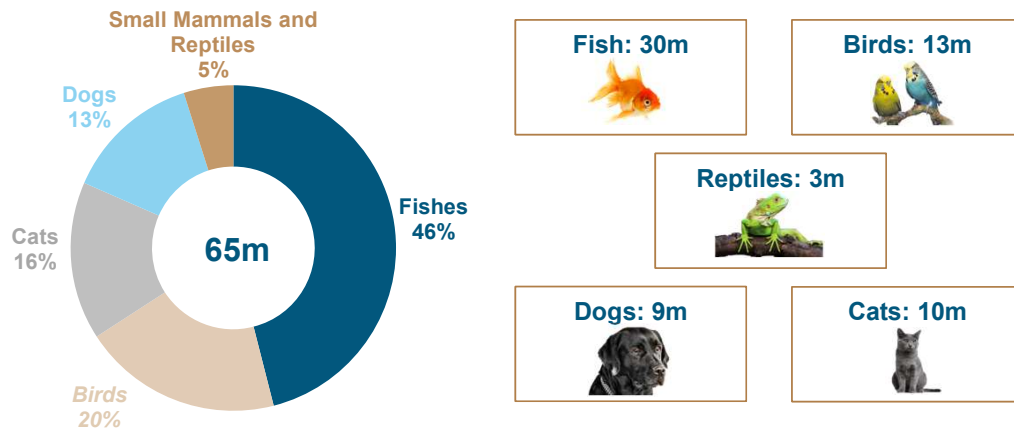
Major market trends

- **Growing focus on pet health and well being** is driving higher demand for **natural food and high quality accessories**, such as ergonomic beds and interactive toys
- **Online purchases are increasing**, offering a **wide selection** of food and accessories, along with **price comparisons, customer reviews, and personalized subscription plans**
- The demand for **premium products** is rising, both in food and accessories, with **customized items tailored to breeds, ages, and specific pet needs**
- **Private labels are gaining ground**, providing a more affordable alternative to multinational brands

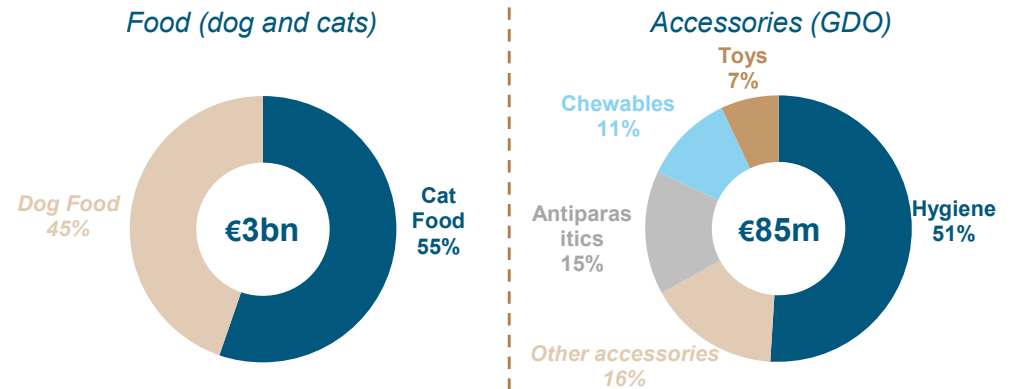
Pet Care Italian market analysis

The Italian pet care market continues to grow steadily indicating a positive outlook for the future

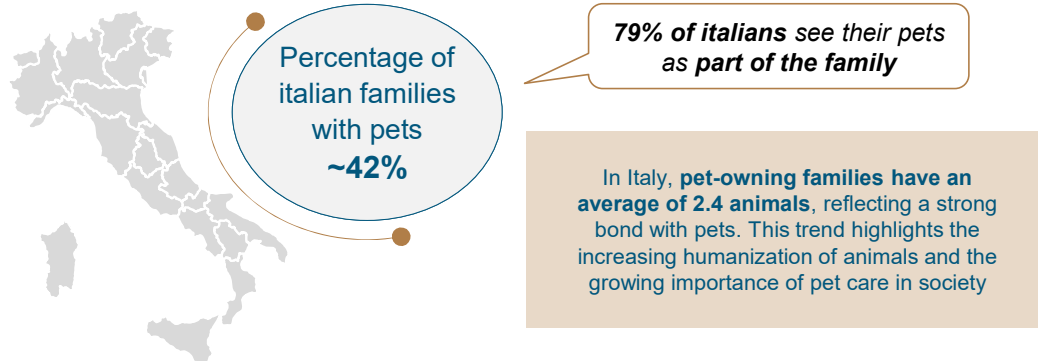
Estimate number of pets in Italy



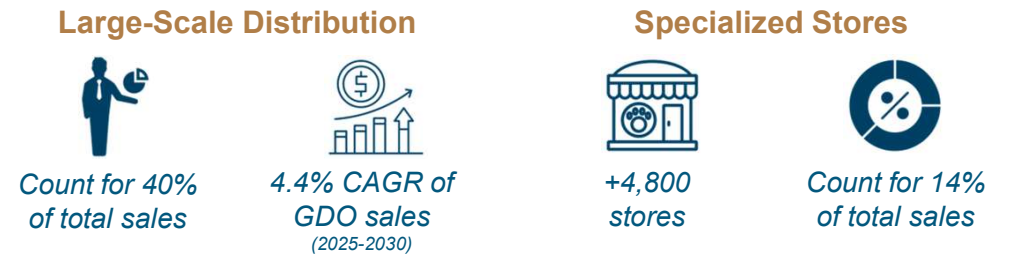
Revenue of the pet care market in Italy (2023)



Pet humanization in Italy



Main sales channels (2023)



Sources: Statista, Repubblica, Assalco Zoomark, GlobalPets, LaStampa

Key Trends in the Pet Care Market

Pet care market is evolving rapidly, driven by premium nutrition, pet humanization, and personalized solutions



Tech & Digitalization



Smart devices like **GPS trackers and health monitors** are revolutionizing pet care

Pet Humanization



Treating pets like family is driving demand for premium food, personalized products, and health-focused solutions

Growth in Private Labels Players



Private label are expanding food offerings, offering **affordable alternatives to big brands**

Natural Products



Companies are **expanding natural and grain-free offerings** to meet pet owners' demand, boosting sales growth

Demand for High Quality Pet Food



Italian pet owners seek **high-quality pet food** with more meat, and no additives or artificial flavors

M&A Trend Aggregation



Major players are acquiring smaller firms to scale production, **driven by growing demand** for premium pet food

Some of the most recent transaction in the pet industry (1/3)

Analysis of recent M&A and investments in the pet industry

#	Year	Acquiring Company	Country	Details		Revenues (€m)	EBITDA Margin
				Acquired asset	Asset description		
1	2024	 CVC CAPITAL PARTNERS			Partner in Pet Food (PPF) is a leading European pet food manufacturer, producing high-quality food for cats and dogs across 35+ countries	800	n.a.
2	2022				Nutri Amo is an Italian company specializing in the production of high-quality pet food, focusing on nutrition, innovation, and well-being for pets	13	13%
3	2022	 UNITED PETFOOD			Gold Line Feeds is an animal feed manufacturer with 25 years of experience from UK, providing high-quality, nutritionally balanced feeds for livestock, poultry, and pets	18	n.m.
4	2021				Giuntini Landini is an Italian company specializing in pet food production, offering high-quality, nutritious solutions for pet health and well-being	109	11%
5	2024				Camon is an Italian company specializing in pet care products, including accessories, hygiene, and wellness items	30	8%
6	2021				Croci Group is an Italian company specializing in pet accessories, aquariums, and hygiene products	32	7%







Food Sector

Pet Care & Accessories

Sources: Aida, Companies Web Sites

Some of the most recent transaction in the pet industry (2/3)

Analysis of recent M&A and investments in the pet industry

#	Year	Acquiring Company	Country	Details		Revenues (€m)	EBITDA Margin
				Acquired asset	Asset description		
7	2025	Nextalia SGR			Italian network of veterinary clinics offering high-quality care, specialized treatments, and emergency services for pets	31	2%
8	2025				Italian pet care network offering veterinary services focusing on comprehensive pet well-being	4	n.r.
9	2024	Charme Capital Partners			An Italian veterinary network providing medical services for pets	13	n.r.
10	2018	BC PARTNERS			A UK-based veterinary group supporting clinics and animal healthcare professionals	1,010	12%
11	2024	POLARIS THE POWER OF PARTNERSHIP			Salfarm is a Danish company specializing in the distribution of veterinary medicinal products and associated over-the-counter items within the veterinary medicine sector	n.a.	n.a.
12	2023	QCapital			CIAM is an Italian distributor of veterinary products, including drugs, pet food, and accessories, founded in 1967	141	8%

----- Veterinary Clinics

----- Veterinary Supplements Retailer

Sources: Aida, Companies Web Sites

Some of the most recent transaction in the pet industry (3/3)

Analysis of recent M&A and investments in the pet industry

#	Year	Acquiring Company	Country	Details		Revenues (€m)	EBITDA Margin
				Acquired asset	Asset description		
13	2024				Arcaplanet is a top Italian pet retailer with a strong store network and e-commerce presence, offering branded and private-label products	644	15%
14	2023				Musti Group is the leading Nordic pet care company, offering pet supplies and services across Finland, Sweden, and Norway through stores and online channels	426	10%
15	2020				L'Isola dei Tesori is an Italian pet retail chain offering food, accessories, and healthcare products. It provides a wide range of solutions for pet owners	246	10%
16	2024				Thunderbrook Equestrian is a UK-based company specializing in natural food supplements for horses, formulated based on scientific research.	4	n.a.
17	2023				Animal Wellness Products is a company specializing in high-quality pet health and wellness solutions, offering innovative supplements and care products for pets	7	27%
18	2022				Innovet is an Italian company specializing in science-backed veterinary supplements and pharmaceuticals, focusing on pet health and well-being	14	41%

--- Retail

--- Food Supplements

Sources: Aida, Companies Web Sites

2. Club Deal

Club Deals Overview

Increasingly popular alternative to traditional private equity investments in Italy, allowing private investors to pool their resources without relying on institutional funds as intermediaries

Club Deals and Main Actors

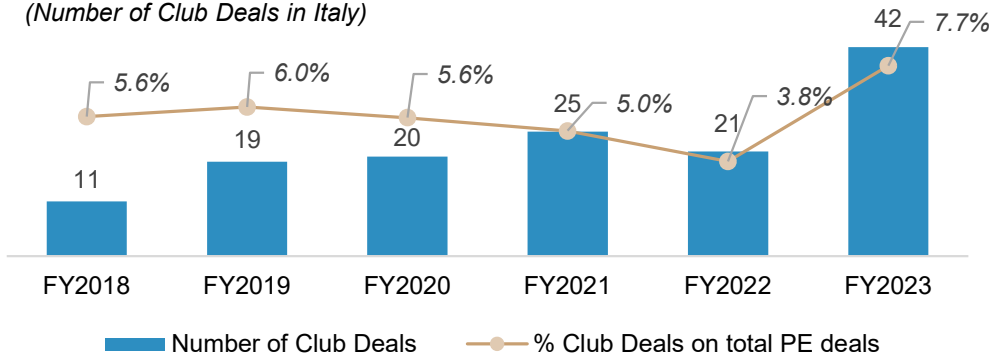
In 2023, Italy recorded 42 Club Deal transactions, twice as many as in 2022

Club deals have accounted for approximately 6-7% of the private equity market over the past six years, reaching a peak in 2023

A group of private investors invests in a single company, coordinated by private banks, asset managers, or specialized holding companies

67% of Italian family offices plan to increase their allocation to club deals in the coming years

(Number of Club Deals in Italy)



Advantages of Club Deals

- 1 Flexible Structure**
 A Club Deal is an **investment structure** where multiple investors pool capital through a Special Purpose Vehicle (**SPV**) to acquire a stake in a company or asset, sharing risks and returns
- 2 Greater Control Over Investments**
 Investors have **more decision-making freedom** in directly managing assets, avoiding the rigidity of more structured funds
- 3 Risk Diversification**
 Participation of multiple investors allows for a **reduction in individual risk**
- 4 Leveraging Expertise**
 Synergies creation and added value for the business thanks to the **sharing of experiences and know-how among investors**
- 5 Easier Access**
 Club deals enable more private investors to participate in private equity transactions, offering **lower entry tickets** compared to traditional funds

Sources: Banca Generali Market Research, MilanoFinanza, BeBeez

Why FAI Club Deal

Italian companies with a turnover between €10 and €50 million euros, classified as SMEs, are around 80%

These companies represent the *ideal target for club deals*, as they are too small for institutional investors such as, i.e. private equity



€10-50m
Revenues

Small company that can **quickly grow** and become attractive to Private Equity or Industrials



€2-5m
EBITDA

Niche sectors that FAI's partners know how to manage thanks to their experience as managers and entrepreneurs,

FAI has **direct responsibility** for its investments appointing our senior team members in key executive roles

FAI **invests in sectors it knows** in depth and in which it has gained many years of experience

FAI always focuses on **products and markets** as the pillars of each investment

DIRECT INVESTMENTS

8 Deals Executed

4 Cross-border Deals

€400m+ Deal Value

Direct investment in the fast-growing pet industry

Leopet, Carbone Pet Products & La Dolce Vita

CLUB DEAL



Financial
Advisory &
Investments

ACQUIRING A MAJORITY IN



CARBONE
PET PRODUCTS



2024

INVESTMENT STRATEGY

FAI Advisory has acquired a majority stake in IGC Leopet, Carbone Pet Products and La Dolce Vita, leading Italian companies in the artisanal production and distribution of pet products, with the aim of enhancing Made in Tuscany, in high-end pet products, and fostering the Group's development on an international scale.

These three companies are among the few Italian companies that have specialized for over 20 years in the production and distribution of the highest quality products, perfect representatives of a highly dynamic sector characterized by a constant growth in demand in recent years.

SECTOR

Pet

REVENUES

€ 23m

EBITDA %

11%

STAKE

Majority

STATUS

In portfolio

3. Case study: Leopot Group

Key Investment Highlights

Core pillars why Leopet Group represents a “must-have” in FAI companies portfolio



● **Authentic Made in Italy Excellence**, Leopet embodies the true essence of **Italian craftsmanship**, innovation, and quality, with a **legacy dating back to 1986**



● Every product by Carbone Pet Product is **crafted with meticulous detail** for durability, safety, and aesthetics. **In-house production** ensures top-tier quality and innovation



● A well-balanced mix of proprietary brands and private labels, combined with a strong international footprint, secures Leopet a **prestigious position in key markets worldwide**



● La Dolce Vita specializes in **crafting high-quality pet pastries**, combining traditional techniques with premium ingredients to meet the growing demand for **gourmet pet products**



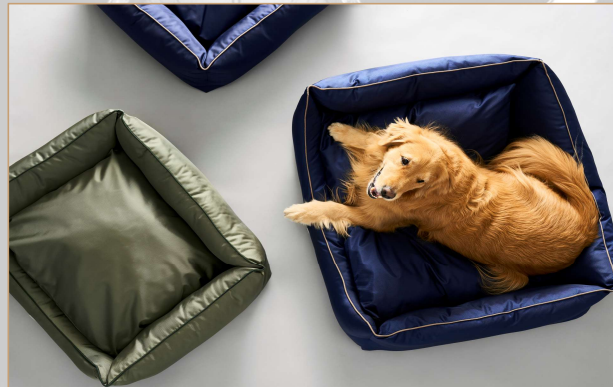
● The Group is committed to an **attractive and sustainable growth strategy**, ensuring long-term success and expansion

Overview of Leopot Group

A brief overview of the three companies part of Leopot Group



Founded in 2004 by Michele Carbone, the company has **established itself in the private label market**, focusing on the production of high-quality pet accessories made in Italy



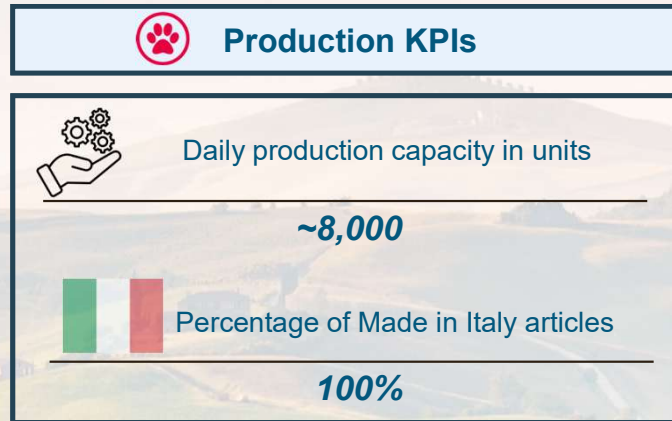
Established in 2012 to expand the range of services offered by the Carbone family, the company aims to **directly serve retail chains and small wholesalers**



A small artisan company specializing in the production of premium **pet bakery products**. The acquisition took place in 2021

Leopet Group's Infrastructure

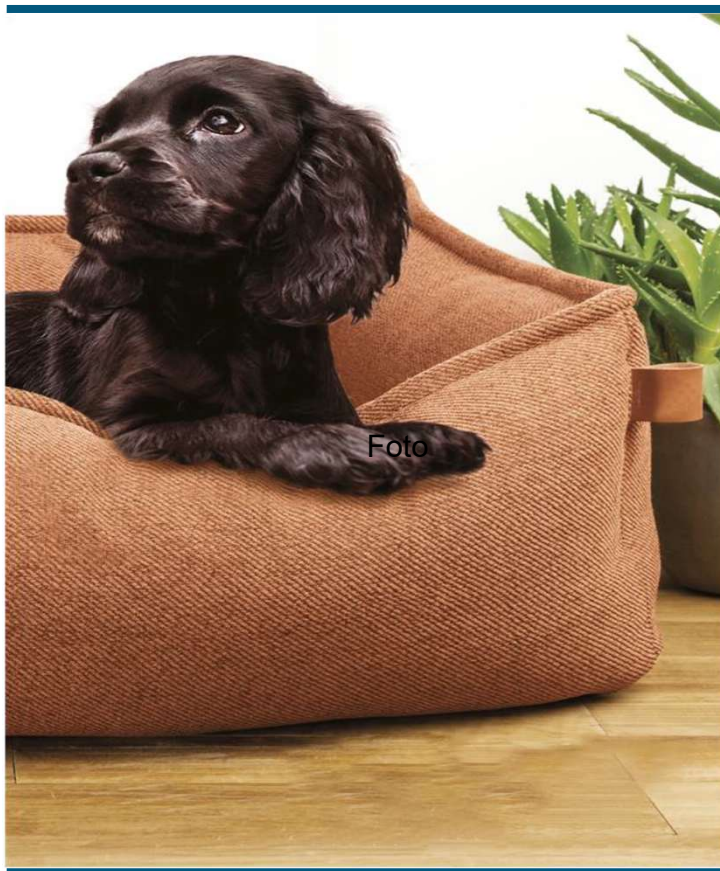
Facilities, workforce & operational capacity



1. Figures FY2022

Case Study – Strategy

Given the increasingly competitive market, our strategy is to further develop the company and strengthen the group's position in global competitiveness pushing new sectors and markets



1

Strengthening the identity of Leopet to become a **globally recognized Made in Italy brand** in the pet accessories industry, known for quality, craftsmanship, and innovation

2

Developing a **high-end private label strategy** for Carbone Pet Products in the luxury segment (Hotellerie, restaurants, clothing and furniture)

3

Enhancing the organizational structure and managerial capabilities of the company to support long-term growth, efficiency, and leadership in the pet industry

4. Appendix

Contact



David Innocenti
Partner at FAI Advisory

d.innocenti@faigroup.eu
M: +41 76 490 5344

Professional Career Path

David has gained consolidated experience in the Investment Management and Business Development sectors within important national and international financial boutiques.

He began his career in BNP Paribas within the Securities Services department and subsequently he held the role of Advisor to independent companies in the Italian and foreign financial landscape (Principality of Monaco) where he worked on Investment Management and Business Development.

During his career, he was CEO of an important foreign company located in Congo (Africa). He took care of the complete management of the company active in the foodstuff sector, defining its business strategies and operational aspects, contributing to its development and a significant increase in turnover.

David holds a degree in Business Administration from the University of Florence. He is a Board Member of Montenapo Club and FAI – Financial Advisory & Investments.

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Offices & Contacts

Milan (Italy)

Via Montenapoleone, 14
20121 MI
Tel.: +39 02 3594 1127

Zurich (Switzerland)

Löwenstrasse, 32
CH-8001
Tel.: +41 79 8192867

Frankfurt (Germany)

Mainzer Landstrasse, 36
60325 Frankfurt am Main

Rome (Italy)

Via Sardegna, 50
00187 RM
Tel.: +39 06 8600278

Vienna (Austria)

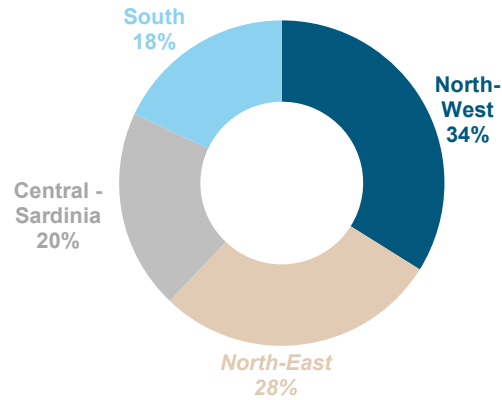
Novaragasse, 26/20



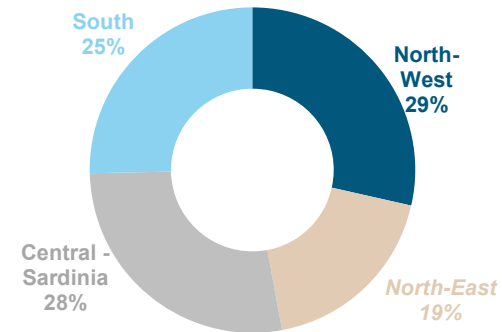
Focus on Pet Care Italian market analysis

Sales distribution of geographical areas by sales channel

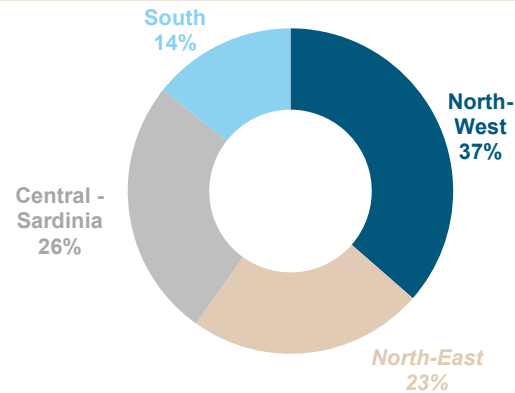
Traditional Pet Shop



Pet Shop + Grocery

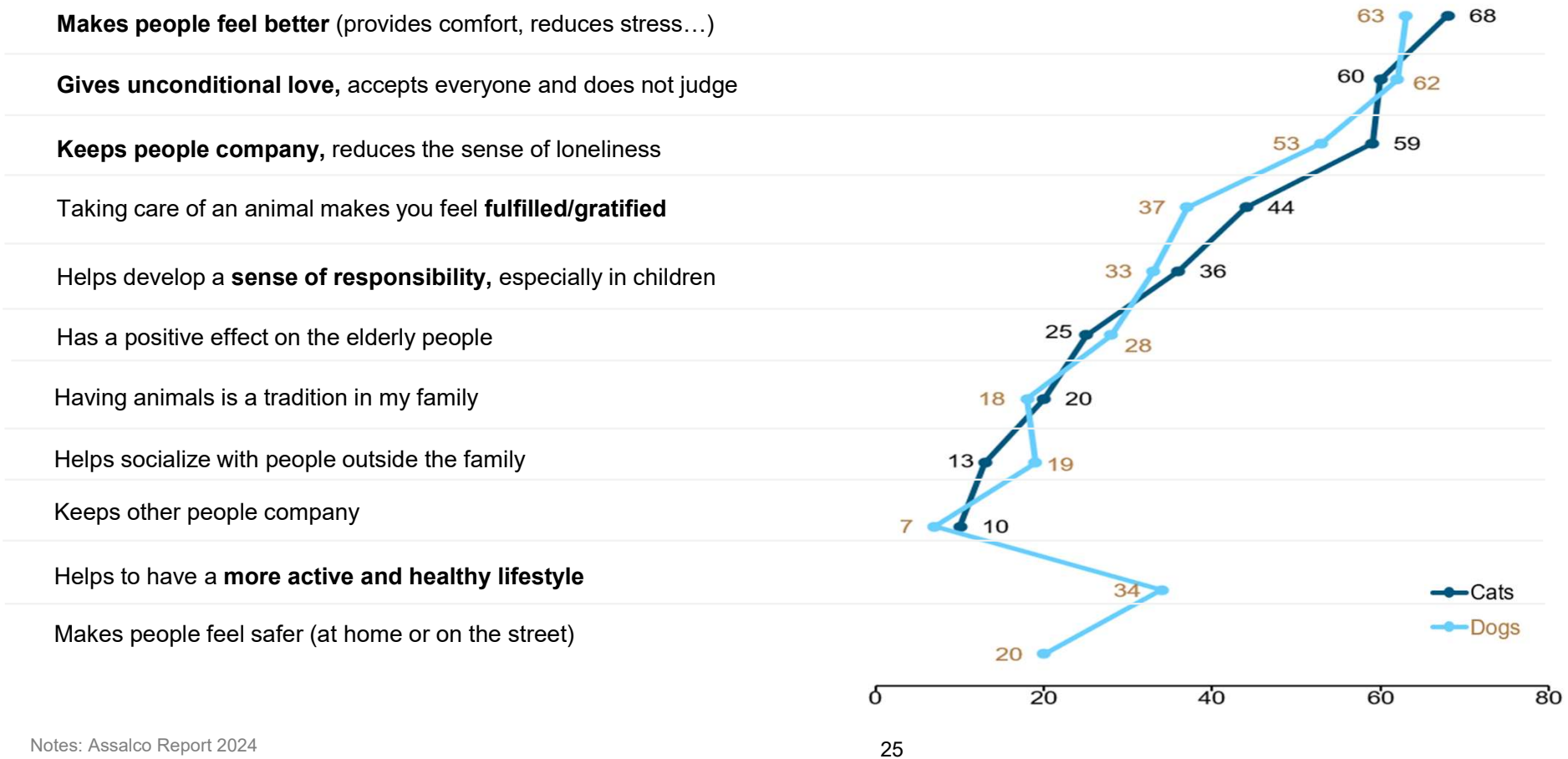


GDO



The benefits of having pets in the family

Pets provide love, companionship, and emotional support, making people feel better.



Notes: Assalco Report 2024